

108TH CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. SCHUMER (for himself and Ms. SNOWE) introduced the following bill;
which was read twice and referred to the Committee on _____

A BILL

To amend title 31, United States Code, to provide Federal aid and economic stimulus through a one-time revenue grant to the States and their local governments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State and Local Aid
5 and Economic Stimulus Act of 2003”.

6 **SEC. 2. ONE-TIME REVENUE GRANT TO STATES AND LOCAL**
7 **GOVERNMENTS.**

8 (a) IN GENERAL.—Chapter 67 of title 31, United
9 States Code, is amended by adding at the end the fol-
10 lowing new section:

1 **“§ 6721. One-time revenue grant to States and local**
2 **governments**

3 “(a) APPROPRIATION.—There is authorized to be ap-
4 propriated and is appropriated to carry out this section
5 \$40,000,000,000 for fiscal year 2003.

6 “(b) ALLOTMENTS.—From the amount appropriated
7 under subsection (a) for fiscal year 2003, the Secretary
8 of the Treasury shall, as soon as practicable after the date
9 of the enactment of this Act, allot to each of the States
10 as follows:

11 “(1) \$20 BILLION BASED ON POPULATION.—

12 “(A) STATE LEVEL.—\$10,000,000,000
13 shall be allotted among such States on the basis
14 of the relative population of each such State, as
15 determined by the Secretary on the basis of the
16 most recent satisfactory data.

17 “(B) LOCAL GOVERNMENT LEVEL.—

18 \$10,000,000,000 shall be allotted among such
19 States as determined under subparagraph (A)
20 for distribution to the various units of general
21 local government within such States on the
22 basis of the relative population of each such
23 unit within each such State, as determined by
24 the Secretary on the basis of the most recent
25 satisfactory data.

1 “(2) \$20 BILLION BASED ON CHANGE IN UNEM-
2 EMPLOYMENT RATE.—

3 “(A) TIER 1.—

4 “(i) STATE LEVEL.—\$2,500,000,000
5 shall be allotted among such States which
6 have experienced a tier 1 unemployment
7 rate on the basis of the relative number of
8 unemployed individuals for calendar year
9 2002 in each such State, as determined by
10 the Secretary on the basis of the most re-
11 cent satisfactory data.

12 “(ii) LOCAL GOVERNMENT LEVEL.—
13 \$2,500,000,000 shall be allotted among
14 such States which have experienced a tier
15 1 unemployment rate as determined under
16 clause (i) for distribution to the various
17 units of general local government within
18 such States on the basis of the relative
19 number of unemployed individuals for cal-
20 endar year 2002 in each such unit within
21 each such State, as determined by the Sec-
22 retary on the basis of the most recent sat-
23 isfactory data.

24 “(B) TIER 2.—

1 “(i) STATE LEVEL.—\$7,500,000,000
2 shall be allotted among such States which
3 have experienced a tier 2 unemployment
4 rate on the basis of the relative number of
5 unemployed individuals for calendar year
6 2002 in each such State, as determined by
7 the Secretary on the basis of the most re-
8 cent satisfactory data.

9 “(ii) LOCAL GOVERNMENT LEVEL.—
10 \$7,500,000,000 shall be allotted among
11 such States which have experienced a tier
12 2 unemployment rate as determined under
13 clause (i) for distribution to the various
14 units of general local government within
15 such States on the basis of the relative
16 number of unemployed individuals for cal-
17 endar year 2002 in each such unit within
18 each such State, as determined by the Sec-
19 retary on the basis of the most recent sat-
20 isfactory data.

21 “(c) GUIDELINES FOR USE OF FUNDS.—It is the
22 sense of Congress that priority for using the funds allotted
23 under this section should be given to homeland security,
24 medicaid, public health, highway construction, childcare,

1 elementary, secondary, and higher education, and the pre-
2 vention of additional property tax increases.

3 “(d) DEFINITIONS.—For purposes of this section—

4 “(1) STATE.—The term ‘State’ means any of
5 the several States, the District of Columbia, and the
6 Commonwealth of Puerto Rico.

7 “(2) UNIT OF GENERAL LOCAL GOVERN-
8 MENT.—

9 “(A) IN GENERAL.—The term ‘unit of gen-
10 eral local government’ means—

11 “(i) a county, parish, township, city,
12 or political subdivision of a county, parish,
13 township, or city, that is a unit of general
14 local government as determined by the Sec-
15 retary of Commerce for general statistical
16 purposes; and

17 “(ii) the District of Columbia, the
18 Commonwealth of Puerto Rico, and the
19 recognized governing body of an Indian
20 tribe or Alaskan native village that carries
21 out substantial governmental duties and
22 powers.

23 “(B) TREATMENT OF SUBSUMED AREAS.—
24 For purposes of determining a unit of general
25 local government under this section, the rules

1 under section 6720(c) of title 31, United States
2 Code, shall apply.

3 “(3) UNEMPLOYMENT.—With respect to any
4 State or unit of general local government—

5 “(A) TIER 1 UNEMPLOYMENT RATE.—The
6 term ‘tier 1 unemployment rate’ means an un-
7 employment rate for calendar year 2002 which
8 was at least .4 but not more than 1.0 percent-
9 age point greater than such rate for calendar
10 year 2000.

11 “(B) TIER 2 UNEMPLOYMENT RATE.—The
12 term ‘tier 2 unemployment rate’ means an un-
13 employment rate for calendar year 2002 which
14 was more than 1.0 percentage point greater
15 than such rate for calendar year 2000.”.

16 (b) CONFORMING AMENDMENT.—The table of sec-
17 tions for chapter 67 of title 31, United States Code, is
18 amended by adding at the end the following new item:

“6721. One-time revenue grant to States and local governments.”.